INDIANA HOUSING FINANCE AUTHORITY

Financial Statements

December 31, 1997 and 1996

(With Independent Auditors' Report Thereon)

INDEPENDENT AUDITORS' REPORT
UNQUALIFIED OPINION ON FINANCIAL STATEMENTS

To the Members of the
Indiana Housing Finance Authority:

We have audited the combined and individual balance sheets of the various funds of the Indiana Housing Finance Authority as of December 31, 1997 and 1996 and the related combined and individual statements of revenues, expenses and changes in equity and cash flows for the years then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined and individual financial positions of the various funds of the Indiana Housing Finance Authority as of December 31, 1997 and 1996 and the results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards,* we have also issued our report dated March 13, 1998 on our consideration of the Indiana Housing Finance Authority’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Indianapolis, Indiana
March 13, 1998

Independent Auditors' Report

To the Members of the
Indiana Housing Finance Authority:

We have audited the combined and individual balance sheets of the various funds of the Indiana Housing Finance Authority as of December 31, 1997 and 1996 and the related combined and individual statements of revenues, expenses and changes in equity and cash flows for the years then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined and individual financial positions of the various funds of the Indiana Housing Finance Authority as of December 31, 1997 and 1996 and the results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles.

Indianapolis, Indiana
March 13, 1998

(See landscape pages for Balance Sheets - 2 pages)
(See landscape pages for Statements of Revenues, etc. - 2 pages)
(See landscape pages for Statements of Cash Flows - 4 pages)

All landscape pages

(1) Authorizing Legislation and Funds

The Indiana Housing Finance Authority (the Authority) was created in 1978 by an act of the Indiana Legislature (the Act). The Authority has been given numerous powers under the Act, including the power to enter into contracts and agreements, acquire, hold and convey property and issue notes and bonds, for the purpose of financing residential housing for persons and families of low and moderate incomes.

The powers of the Authority are vested by the Act in seven members, four of whom are appointed by the Governor and three of whom serve by virtue of holding other state offices. The three ex officio members are the Director of Department of Commerce, the Treasurer of State and Director of the Department of Financial Institutions. By statute, the Lieutenant Governor is Director of the Indiana Department of Commerce. The Lieutenant Governor and Treasurer of State hold elective positions, and the Director of the Department of Financial Institutions holds an appointive position at the pleasure of the Governor. The Authority is considered a component unit of the State of Indiana, because they are discretely presented in the State's Financial Statements as determined by the Indiana State Board of Accounts.

The Act empowers the Authority to (1) make or participate in the making of construction loans and mortgage loans to sponsors of federally assisted multi-family residential housing; (2) purchase or participate in the purchase from mortgage lenders, mortgage loans made to persons of low and moderate income for residential housing; and (3) make loans to mortgage lenders for the purpose of furnishing funds to be used for making mortgage loans to persons and families of low and moderate incomes. The Act authorizes the Authority to issue its bonds and notes to carry out its purposes, and neither the Act nor the Bond Trust Indentures establish any limitation as to the aggregate amount of obligations which the Authority may have outstanding.

The Authority's financial statements include the operations of funds that the Authority has established to achieve its purposes under powers granted to it by the Act. The financial transactions of the Authority are recorded in the funds which consist of a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenses as appropriate. The Authority's resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which financial activity is controlled.

General Fund - Administration

The General Fund was established by the Authority to account for all fee income and charges which are not required to be recorded in other funds and for operating expenses of the Authority. The General Fund also may acquire mortgage loans on a temporary basis before purchase by a Program Fund. In 1997 and 1996, the Authority elected to set aside $35,040,243 and $47,719,243, respectively, of its single family bonding authority for the issuance of Mortgage Credit Certificates. This program is targeted primarily to first time home buyers.

General Fund Investments

The Authority is currently engaged in a Collateralized Bank Loan Program initiated in 1993 (see note 6) in its General Fund. The Authority currently has four bank loans.

Single Family Mortgage Program Fund

In carrying out its purposes the Authority has established a Single Family Mortgage Program providing for the purchase of mortgage loans made to eligible borrowers for owner occupied housing. Some borrowers meeting certain income guidelines may qualify under the Authority's First Home Plus Program which allows the borrower to receive up to 10% of down payment assistance money from the Home Investment Fund. This is a second mortgage at a 0% interest rate which is forgivable. The Authority has issued twenty-nine series of Single Family Mortgage Program Bonds (see note 6).

(Continued)

Commencing in June 1980, the Authority entered into mortgage purchase agreements with certain commercial banks, savings and loan associations and mortgage banking companies admitted to do business in the State of Indiana whereby the lenders agreed to originate mortgage loans on newly constructed and existing dwellings meeting criteria established by the Authority and to sell them to the Authority.

Residential Mortgage Program Fund

Established in 1988, the Residential Mortgage Program Fund provides for the purchase of mortgage loans made to eligible borrowers for owner-occupied housing. Mortgage loans are purchased in this fund under the same mortgage purchase agreements with certain commercial banks, savings and loan associations and mortgage banking companies as those in the Single Family Mortgage Program Fund. The Authority has issued one series of Residential Mortgage Program Bonds for the purchase of FHA insured mortgage loans (see note 6).

GNMA Mortgage Program Fund

Established in 1989, the GNMA Mortgage Program Fund provides for the purchase of mortgage-backed securities (GNMA Certificates) issued by Calumet Securities Corporation or Great Financial Bank (the Servicers) and guaranteed as to the timely payment of principal and interest by the Government National Mortgage Association (GNMA). GNMA is a wholly-owned corporate instrumentality of the United States within the Department of Housing and Urban Development, with its principal office in Washington, D.C. GNMA Certificates are collateralized by mortgage loans made to qualified persons and families of low or moderate income to finance the acquisition of residences located in the State of Indiana. The Authority has issued seven series of Single Family Mortgage Revenue Bonds (GNMA Mortgage Program Fund) (see note 6).

Multi-Unit Mortgage Program Fund

This fund, established in 1982 under the Multi-Unit Mortgage Program Resolution, is prescribed for accounting for the proceeds used to provide construction and long-term financing for certain federally assisted multi-unit housing developments intended for occupancy by families and persons of low and moderate incomes. The Authority has issued four series of Multi-Unit Program Bonds and is the special purpose issuer for two series (see note 6).

In August of 1997, the Authority, as a special purpose issuer, issued $10,000,000 of Multi-Family Housing Mortgage Revenue Bonds (Cumberland Crossing) under a separate closed indenture, which are included in these financial statements as a part of the Authority’s Multi-unit Mortgage Program Fund. The proceeds of the bonds are currently being used to construct a new multi-family residential rental facility containing 232 apartment units. The expended funds are subject to the terms of a loan agreement dated July 1, 1997, and the bonds are secured by two letters of credit issued by the Federal Home Loan Bank that expire August 21, 2007.

In April of 1992, the Authority, as a special purpose issuer, issued $7,230,000 of Multi-Family Housing Mortgage Revenue Bonds (Hunter's Run) under a separate closed indenture, which are included in these financial statements as a part of the Authority’s Multi-unit Mortgage Program Fund. The proceeds of the bonds, after funding the required reserves, were used by the project owner to acquire and rehabilitate an existing multi-family residential rental facility containing 304 apartment units. The expended funds are subject to a mortgage loan amortizable over 40 years commencing October 1, 1993. The permanent mortgage is insured by the Federal Housing Administration pursuant to the provisions of Section 221 (d) (4) of the National Housing Act of 1934.

(Continued)

The Multi-Family Housing Mortgage Revenue Bonds are limited and special obligations of the Authority payable solely from the payments on the mortgage note, certain other payments under the Building Loan Agreement made by the owner and required debt service reserves of the issue. Neither the Bonds nor the obligation to pay the principal or interest thereon constitutes an indebtedness of the Authority or the State of Indiana. The Authority receives an annual bond administration fee equal to .15% of the bonds outstanding.

The Authority made a commitment in 1993 to make a permanent contribution for each of five years beginning with 1994 to the Low Income Housing Trust Fund (the Trust Fund). These funds are from the excess revenues from the 1982 Multi-Unit Mortgage Program Indenture (the Indenture). Each year, a total of $300,000 will be given to the Trust Fund from the Indenture. The Indenture paid $300,000 in 1997 and 1996 for the required installments. The Trust Fund was formed in 1989 under Section 5-20-4 of the Indiana Code. The resources of the Trust Fund are used to provide financial assistance in the form of grants, rent supplements, loans, and loan guarantees. In addition, Trust Fund resources are used to provide technical assistance to nonprofit developers of low income housing. The Trust Fund is administered by the Authority. Additionally, the Authority and the Trust Fund share the same Board of Directors.

First Home Mortgage Program Fund

Established in 1994, the First Home Indenture provides for the purchase of IHFA-approved low-income mortgage loans which are securitized by the Federal National Mortgage Association (FNMA) and are serviced by Trustcorp. FNMA is a federally chartered stockholder-owned, privately managed corporation which works to provide liquidity to the residential mortgage market. The FNMA Certificates - which guarantee the timely payment of principal and interest to the Indenture - are collateralized by mortgage loans made to qualified persons and families of low income to finance the acquisition of single family residences in the State of Indiana. This program was facilitated by a Down Payment Assistance Program from the federal HOME Program, which provided a 20% second mortgage at 0% interest. Therefore, the Authority offered 100% financing to all participants in this program. The Authority has issued four series in this Indenture, all of which were privately placed with FNMA.

Convertible Option Bonds 1994 A&B Program Fund

Established in June of 1994, this Indenture provided for the preservation of bond volume under the short term nature of the issue. The Authority had the option of converting the bonds into long-term debt as a mortgage program within the Indenture or refunding a portion or all of the bonds and converting to long-term bonds within this Indenture or a new Indenture. The Authority issued one series within this Indenture which was privately placed with FNMA. The bonds were redeemed in 1995, and the arbitrage rebate was paid.

Working Families Program Fund

Established in December of 1994, this Indenture originally provided for the preservation of bond volume in the short term. A portion of the Convertible Option Bonds (COB) were remarketed into a single family mortgage program within this Indenture. The loans of the program are collateralized by FNMA and GNMA certificates. As a part of the remarketing of the COB, in July 1996 the Authority issued two Series within this Indenture. Approximately eighty percent of the bond proceeds are utilized under the same guidelines as the Authority’s Single Family Program Fund.

(Continued)

The remaining twenty percent of the bond proceeds have been set aside for a special program referred to as the Working Families Program. This program allows for down payment assistance of 10% in addition to the 10% assistance described in the Single Family Mortgage Program Fund. The source of these additional funds is the positive arbitrage earned under the original COB investments and bonds. These arbitrage funds are loaned to the qualified borrower at 0% and are payable to the Authority upon payoff of the first mortgage.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The Authority's financial statements have been prepared on the basis of the Governmental Proprietary Fund concept as set forth in Statement 1 of the Governmental Accounting Standards Board (GASB). The Governmental Proprietary Fund concept provides that financial activities operated similarly to private business enterprises and financed through fees and charges assessed primarily to users of the services be presented as a single proprietary fund. The financial statements have been prepared using the accrual method of accounting.

In accordance with the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Authority has elected, in addition to applying Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board opinions, and Accounting Research Bulletins issued on or before November 30, 1989, to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

(b) Asset Restrictions

All assets and revenues of the Single Family, Residential, GNMA, Collateralized Home Mortgage, Multi-Unit Mortgage, First Home, and Working Families Program Funds are restricted or pledged as provided by the bond resolutions and indentures of the trust agreements. Assets of the General Fund are not so restricted or pledged except as described in notes 3 and 6.

(c) Investments

Investments are recorded at cost adjusted for amortization of premiums and accretion of discounts over the life of the investments to which they relate. Gains and losses on dispositions are determined on the specific identification method.

(d) Bond Issuance Costs

Bond issuance costs are deferred and amortized over the contractual life of the respective bond issue based on the interest method.

(e) Original Issue Discounts

Original issue discounts on bonds are amortized using the interest method, over the life of the bonds to which they relate.

(Continued)

(f) Capital Appreciation and Compound Interest Bonds

No interest is paid to holders of Capital Appreciation Bonds (CABS) or Compound Interest Bonds (CIBS). The CABS accrete at annual compounded rates of approximately 9.25% for the Single Family 1985 Series B, 7.96% for the Residential 1988 Series A, and 10% for the Multi-Unit 1985 Series A. The Compound Interest Bonds, representing class A-4 of the General Fund CMO Series A, accrete in value at an annual compounded rate of 8.95%. Such accumulated accretion and interest is included in the accompanying balance sheet as Bonds Payable. All the 1985 Series B CABS and general fund CMO Series A CIBS were redeemed in 1996.

(g) Office Furniture and Equipment

Office furniture and equipment is stated at cost less accumulated depreciation. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets.

(h) Nonrefundable Fees

Nonrefundable fees received (commitment and buy-down fees) and direct costs associated with originating mortgage loans are deferred and recognized over the life of the mortgage loans.

(i) Other Program Fees

Fees for Mortgage Credit Certificate and Mortgage Revenue Bond Programs are recorded as fee income in the General Fund as certificates are issued. Low Income Housing Tax Credit fees are recognized after tax credits are awarded.

(j) Provision for Possible Loan Losses

No provision for possible loan losses has been made because the Authority has purchased mortgage pool insurance on its loans, or they are fully insured by the FHA, as described in note 5. The remaining loans have been pooled into FNMA or GNMA mortgage-backed securities which guarantee the timely payment of principal and interest on the underlying mortgage loans.

(k) Bonds, Bank Loans and Interest Payable

Bond principal, bank loan principal and interest payments due on January 1 of the following fiscal year are considered paid as of December 31.

(l) Allocation of Expenses Among Funds

The Single Family, Residential, GNMA, First Home, Multi-Unit Mortgage, and Working Families Programs, provide that funds may be transferred to the General Fund for the purpose of paying reasonable and necessary program expenses.

(m) Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand and on deposit and investments purchased with a maturity of three months or less.

(Continued)

(See landscape page for Note 3)

(4) Cash and Investments

A summary of cash and investments as of December 31, 1997 follows:

	Category 1	Category 3	Total Carrying Value	Market
Cash and collateralized repurchase agreements	$ 40,593,184	130,266	40,723,450	40,723,450
Certificates of deposit	700,000	–	700,000	700,000
U. S. Treasury Bonds and Notes	18,173,380	–	18,173,380	20,775,852
Federal agency obligations	62,302,552	–	62,302,552	64,756,161
Guaranteed investment contracts and other	136,083,736	–	136,083,736	136,083,736
	$ 257,852,852	130,266	257,983,118	263,039,199

The Authority's cash and collateralized repurchase agreements are insured in full by the combination of Federal deposit insurance and the Indiana Public Deposit Insurance Fund. The Authority's investments are categorized by the level of credit risk assumed. Category 1 includes investments insured or registered or held by the entity, its agent or its trustee in the Authority's name. Category 3 includes bank balances that are not collateralized or insured but are held by the Authority's trustee bank. The Bond Indentures permit investments in the direct obligations of, or obligations guaranteed by, the United States of America, obligations issued by certain agencies of the Federal government, and investments collateralized by those types of investments. At December 31, 1997, all investments held by the Authority were in compliance with the requirements of the Indentures.

(5) Mortgage Loans Receivable

The Single Family Mortgage Program requires that no mortgage loan shall knowingly be made to a borrower whose adjusted family income exceeds 125% of the median income for the borrower's geographic area and at least 40% of the mortgage loans purchased by the Authority must be loans to borrowers whose income is below 80% of the median income for the borrower's geographic area. In addition, Section 103A of the Internal Revenue Code specifies certain requirements with respect to the nature of the residence, mortgage and eligibility of the borrower.

The Single Family Mortgage Program Bond Trust Indenture requires that all mortgage loans must be insured by the FHA, VA or, if the loan to value ratio is greater than 80%, by an approved private mortgage insurer under a policy which provides coverage on the outstanding principal balance of the mortgage loan in excess of 72% of the original fair market value of the property.

The Indenture also requires pool insurance at least equal to 10% of the initial principal amount of mortgage loans to be purchased. The Authority has obtained mortgage pool insurance covering net losses on all mortgage loans financed from the proceeds of the 1980 and 1982 Single Family Mortgage Program bonds and from the proceeds of prepayments of such mortgage loans to the extent of 25% of the total initial principal balances of loans. Similar policies have been obtained to the extent of 15% of the total initial principal balances of mortgages to be purchased from proceeds of and nonrefundable fees received in connection with the Authority's 1983 and 1984 series bonds and 10% for 1985, 1986 and 1987 series bonds.

(Continued)

All of the mortgages in the Multi-Unit Mortgage Program Fund except Cumberland Crossing are insured by the FHA. The mortgages are insured under the FHA 221-(d)-4 program. The bonds in the Cumberland Crossing Series are secured by two letters of credit.

The Residential Mortgage Program requires that, except with respect to mortgage loans financed for homes located in targeted areas, all borrowers must have family incomes which are 115% or less, of the greater of the borrower's geographic area's median family income or the statewide median family income. Additionally, no less than two-thirds of the bond proceeds which are used to finance targeted residences shall be for borrowers whose family income is less than 140% of the applicable geographic area's median family income. All mortgages under the Residential Mortgage Program are fully insured by the FHA.

Mortgage loans which collateralize the GNMA Certificates purchased by the Authority under the GNMA Mortgage Program must meet the same requirements as those purchased under the Residential Mortgage Program and are also fully insured by the FHA.

Mortgage loans which collateralize the FNMA certificates purchased by the Authority under the First Home Mortgage Program requires that the loans be made to first-time home owners and meet the standard requirements for FNMA underwritten mortgages, as well as U.S. Department of Housing and Urban Development (HUD) guidelines.

The financing periods of the mortgage loans financed through the Single Family, Residential, GNMA, First Home, and Working Families Mortgage Programs vary in duration from twenty-five to thirty years (principally thirty years). The financing rates at December 31, 1997, are as follows:

Single Family Mortgage Program	Mortgage Rate	Certificate Rate
1987 Series A	8.190%	
1987 Series B	8.950% to 9.470%	
1987 Series C	8.950% to 9.470%	
1992 Series A	7.875% to 13.875%	
1995 Series A	7.440% to 7.540%	6.935% to 6.940%
1995 Series B	6.750% to 9.940%	6.245% to 6.250%
1995 Series C	6.650% to 10.700%	6.135% to 6.150%
1996 Series A	7.150% to 7.250%	6.625% to 6.650%
1996 Series D	7.150% to 9.940%	6.625% to 6.650%
1997 Series A	6.820% to 8.500%	6.295% to 6.320%
1997 Series B	7.300% to 7.350%	6.725% to 6.800%
1997 Series C	7.260% to 7.310%	6.685% to 6.760%
1997 Series D	6.875% to 7.250%	6.250% to 6.700%

Residential Mortgage Program	Mortgage Rate	Certificate Rate
1988 Series A	8.800% to 8.900%	

GNMA Mortgage Program	Mortgage Rate	Certificate Rate
1989 Series A	8.90%	8.40%
1990 Series A	8.54%	8.04%
1990 Series B	8.30%	7.80%
1990 Series C	8.34%	7.84%
1990 Series D	8.35%	7.85%
1990 Series E	8.54%	8.04%
1990 Series F	8.22%	7.72%

(Continued)

First Home Program	Mortgage Rate	Certificate Rate
1994 Series A	6.75% to 6.90%	6.13% to 6.28%
1994 Series B	6.75%	6.13%
1994 Series C	6.65%	6.03%
1994 Series D	6.65% to 6.80%	6.03% to 6.18%
Working Families Program Fund	**Mortgage Rate**	**Certificate Rate**
1996 Series B	7.38% to 7.48%	6.855% to 6.880%

(6) Bonds Payable

Bonds payable at December 31, 1997 and 1996 consisted of (dollars in thousands):

Single Family Mortgage Program Fund	Original Amount	Balance 1997	Balance 1996
1986 Series B:			
Serial bonds (7.0% to 7.25%), due 1998 - 2000	$ 2,950	–	1,365
Term bonds (7.5%), due 2005	4,835	–	1,770
Term bonds (7.625%), due 2011	8,350	–	2,720
	16,135	–	5,855
1987 Series A:			
Serial bonds (6.60% to 7.30%), due 1996 - 2000	4,275	–	895
Term bonds (7.75%), due 2007	4,900	–	2,310
Term bonds (7.5%), due 2014	9,035	–	–
Term bonds (7.875%), due 2016	3,390	–	1,615
	21,600	–	4,820
1987 Series B:			
Serial bonds (7.50% to 8.20%), due 1996 - 2002	19,000	6,855	8,075
1987 Series C:			
Term bonds (8.65%), due 2015	46,000	–	–
Term bonds (9.125%), due 2018	15,000	5,495	7,440
	61,000	5,495	7,440
1992 A Refunding:			
Serial bonds (5.30% to 6.35%), due 1996 - 2002	17,740	6,745	8,020
Term bonds (6.60%), due 2005	8,775	5,610	5,610
Term bonds (6.75%), due 2009	16,885	10,780	10,780
Term bonds (6.80%), due 2016	38,745	24,725	24,725
	82,145	47,860	49,135

(Continued)

Bonds payable, continued	Original Amount	Balance 1997	Balance 1996
1995 Series A:			
Serial bonds (4.70% to 6.00%), due 1997 - 2008	$ 7,095	6,445	6,885
Term bonds (6.45%), due 2014	5,075	5,075	5,075
Term bonds (6.25%), due 2016	4,230	4,230	4,230
Term bonds (6.10%), due 2025	6,000	5,550	6,000
Term bonds (6.60%), due 2026	12,600	12,600	12,600
	35,000	33,900	34,790
1995 Series B:			
Serial bonds (4.15% to 5.75%), due 1996 - 2008	12,725	10,660	12,005
Term bonds (6.125%), due 2014	8,285	7,655	8,060
Term bonds (6.15%), due 2017	3,825	3,510	3,710
Term bonds (6.30%), due 2019	3,440	3,165	3,340
Term bonds (6.30%), due 2022	3,900	3,615	3,800
Term bonds (6.30%), due 2027	9,760	9,010	9,495
	41,935	37,615	40,410
1995 Series C:			
Serial bonds (4.20% to 5.55%), due 1997 - 2008	10,500	10,115	10,500
Term bonds (5.25%), due 2012	8,680	4,990	6,980
Term bonds (5.95%), due 2015	10,475	10,475	10,475
Term bonds (5.80%), due 2025	14,885	14,680	14,885
Term bonds (6.15%), due 2026	15,460	15,460	15,460
	60,000	55,720	58,300
1996 Series A:			
Serial bonds (4.30% to 6.05%), due 1998 - 2010	7,625	7,625	7,625
Term bonds (5.95%), due 2013	2,450	2,450	2,450
Term bonds (6.25%), due 2017	4,965	4,965	4,965
Term bonds (5.55%), due 2020	4,960	4,960	4,960
Term bonds (6.25%), due 2028	15,000	15,000	15,000
	35,000	35,000	35,000
1996 Series D:			
Serial bonds (4.15% to 5.55%), due 1998 - 2008	8,525	8,525	8,525
Term bonds (6.05%), due 2015	6,890	6,890	6,890
Term bonds (6.35%), due 2021	10,015	10,015	10,015
Term bonds (6.35%), due 2025	8,710	8,710	8,710
Term bonds (5.70%), due 2028	7,045	7,045	7,045
	41,185	41,185	41,185
1996 Series E:			
Term bonds (3.60%), due 2015	3,015	–	3,015
Term bonds (3.65%), due 2022	15,590	–	15,590
	18,605	–	18,605

(Continued)

Bonds payable, continued	Original Amount	Balance 1997	Balance 1996
1997 Series A-1:			
Term bonds (5.10%) due 2016	$ 8,870	8,870	–
	8,870	8,870	–
1997 Series A-2:			
Serial bonds (4.10% to 5.40%) due 1998 - 2008	7,115	7,115	–
Term bonds (6.00%) due 2019	3,710	3,710	–
Term bonds (6.10%) due 2022	4,765	4,765	–
Term bonds (6.10%) due 2028	10,000	10,000	–
	25,590	25,590	–
1997 Series B-1:			
Term bonds (7.26%) due 2012	5,000	5,000	–
	5,000	5,000	–
1997 Series B-2:			
Term bonds (6.00%) due 2016	3,025	3,025	–
Term bonds (6.125%) due 2026	11,890	11,890	–
Term bonds (6.15%) due 2029	5,085	5,085	–
	20,000	20,000	–
1997 Series C-1:			
Term bond (floating rate) due 2027	8,940	8,940	–
	8,940	8,940	–
1997 Series C-2:			
Term bonds (5.70%) due 2016	1,905	1,905	–
	1,905	1,905	–
1997 Series C-3:			
Serial bonds (4.25% to 5.25%) due 1999 - 2006	1,060	1,060	–
Term bonds (5.85%) due 2014	4,460	4,460	–
Term bonds (5.95%) due 2028	18,635	18,635	–
	24,155	24,155	–
1997 Series D-1:			
Term bonds (6.94%) due 2019	14,680	14,680	–
	14,680	14,680	–
1997 Series D-2:			
Term bonds (5.85%) due 2020	960	960	–
Term bonds (5.875%) due 2024	6,450	6,450	–
Term bonds (5.90%) due 2026	4,840	4,840	–
Term bonds (5.90%) due 2030	8,070	8,070	–
	20,320	20,320	–

(Continued)

Bonds payable, continued	Original Amount	Balance 1997	Balance 1996
1997 Series E-1:			
Term bonds (3.80%) due 2017	6,500	6,500	–
	6,500	6,500	–
1997 Series E-2:			
Term bonds (3.85%) due 2022	11,465	11,465	–
	11,465	11,465	–
	$ 579,030	411,055	303,615
Residential Mortgage Program Fund			
1988 Series A:			
Serial bonds (7.30% to 7.50%), due 1996 - 1998	$ 10,375	330	1,055
Serial Capital Appreciation Bonds (7.70% to 8.25%), due 1998 - 2005	4,084	3,248	3,326
Capital Appreciation Bonds, (8.50%), due 2008	1,070	872	904
Capital Appreciation Bonds, (8.70%), due 2012	1,129	730	758
Term bonds (8.375%), due 2019	15,340	5,640	6,375
	$ 31,998	10,820	12,418
GNMA Mortgage Program Fund			
1989 Series A:			
Serial bonds (7.70% to 8.00%), due 1996 - 2001	11,925	1,740	2,495
Term bonds (8.125%), due 2006	9,875	3,360	3,865
Term bonds (8.200%), due 2020	62,000	21,165	24,335
	83,800	26,265	30,695
1990 Series A-1:			
Term bonds (7.75%), due 2010	5,610	–	1,915
Term bonds (7.85%), due 2016	6,550	–	2,235
Term bonds (7.5%), due 2017	10,500	–	–
	22,660	–	4,150
1990 Series A-2:			
Serial bonds (6.90% to 7.35%), due 1996 - 2001	3,010	–	685
Term bonds (8.1%), due 2021	14,330	–	4,930
	17,340	–	5,615
1990 Series B-1:			
Term bonds (7.55%), due 2010	7,620	6,685	7,030
Term bonds (7.60%), due 2015	7,905	6,930	7,295
	15,525	13,615	14,325

(Continued)

Bonds payable, continued	Original Amount	Balance 1997	Balance 1996
1990 Series B-2:			
Serial bonds (6.70% to 7.15%), due 1996 - 2001	$ 4,170	1,630	2,130
Term bonds (7.55%), due 2021	11,500	–	–
Term bonds (7.80%), due 2021	13,805	12,105	12,735
	29,475	13,735	14,865
1990 Series C:			
Serial bonds (6.625% to 7.20%), due 1996 - 2002	4,075	2,000	2,485
Term bonds (7.70%), due 2010	5,955	5,650	5,955
Term bonds (7.45%), due 2021	16,000	–	–
Term bonds (7.80%), due 2021	18,970	17,985	18,970
	45,000	25,635	27,410
1990 Series D:			
Serial bonds (6.65% to 7.05%), due 1996 - 2001	3,780	1,305	1,715
Term bonds (7.70%), due 2010	6,945	5,415	5,725
Term bonds (7.40%), due 2021	11,250	–	–
Term bonds (7.80%), due 2021	20,025	15,610	16,505
	42,000	22,330	23,945
1990 Series F-1:			
Term bonds (7.45%), due 2010	10,015	9,095	9,315
Term bonds (7.50%), due 2015	9,305	8,440	8,655
	19,320	17,535	17,970
1990 Series F-2:			
Serial bonds (6.45% to 7.00%), due 1996 - 2002	6,215	2,985	3,630
Term bonds (7.75%), due 2022	19,465	17,655	18,090
	25,680	20,640	21,720
	$ 300,800	139,755	160,695
Multi-Unit Mortgage Program Fund			
1983 Series A:			
Serial bonds (8.80% to 9.0%), due 1996 - 1997	405	–	45
Term bonds (9.125%), due 2002	300	300	300
Term bonds (9.375%), due 2024	1,720	1,720	1,720
	2,425	2,020	2,065
1985 Series A:			
Serial bonds (8.40% to 8.75%), due 1996 - 1999	4,045	960	1,385
Term bonds (9.0%), due 2005	4,100	4,100	4,100
Term bonds (9.0%), due 2013	10,095	10,095	10,095
Capital Appreciation Bonds (10.0%), due 2018	455	1,127	1,022
	18,695	16,282	16,602

(Continued)

Bonds payable, continued	Original Amount	Balance 1997	Balance 1996
1993 Series A:			
Serial Bonds (5.00% to 6.30%) due 1996 - 2003	$ 2,185	1,005	1,145
Term bonds (6.6%) due 2011	2,075	2,075	2,075
Term bonds (6.75%) due 2021	4,665	4,665	4,665
	8,925	7,745	7,885
1992 Hunter's Run:			
Term bonds (7.0%), due 2003	400	270	305
Term bonds (7.25%), due 2018	1,500	1,500	1,500
Term bonds (7.35%), due 2033	5,330	5,330	5,330
	7,230	7,100	7,135
1997 Series M-A:			
Term bonds (adjustable rate) due 2028	9,200	9,200	–
	9,200	9,200	–
1997 series M-B:			
Term bonds (adjustable rate) due 2028	800	800	–
	800	800	–
	$ 47,275	43,147	33,687
First Home Mortgage Program Fund			
1994 Series A:			
Serial bonds (4.16% to 5.81%), due 1996 - 2008	1,165	1,000	1,065
Term bonds (5.96%), due 2014	1,015	975	980
Term bonds (6.06%), due 2020	1,430	1,310	1,370
Term bonds (6.11%), due 2025	1,430	1,300	1,375
	5,040	4,585	4,790
1994 Series B:			
Serial bonds (3.93% to 5.68%) due 1996 - 2008	1,165	950	1,065
Term bonds (5.88%), due 2014	1,015	950	1,015
Term bonds (5.93%), due 2020	1,430	1,290	1,410
Term bonds (5.98%), due 2025	1,430	1,265	1,380
	5,040	4,455	4,870
1994 Series C:			
Serial bonds (4.06% to 5.46%), due 1996 - 2008	1,165	1,000	1,065
Term bonds (5.71%), due 2014	1,015	965	965
Term bonds (5.81%), due 2020	1,455	1,350	1,360
Term bonds (5.86%), due 2025	1,430	1,270	1,315
	5,065	4,585	4,705

(Continued)

Bonds payable, continued	Original Amount	Balance 1997	Balance 1996
1994 Series D:			
Serial bonds (4.34% to 5.64%) due 1996 - 2008	$ 1,165	1,000	1,065
Term bonds (5.84%), due 2014	1,015	980	980
Term bonds (5.94%), due 2020	1,455	1,290	1,345
Term bonds (5.94%), due 2025	1,430	1,225	1,335
	5,065	4,495	4,725
	$ 20,210	18,120	19,090

Working Families Program Fund	Original Amount	Balance 1997	Balance 1996
1994 Series D:			
Term bonds (3.90%), due 1996	31,265	–	–
Term bonds (5.60%), due 2009	–	5,110	5,110
Term bonds (6.35%), due 2017	–	12,110	12,110
	31,265	17,220	17,220
1996 Series B:			
Serial bonds (4.40% to 5.35%), due 1998 - 2004	3,225	3,225	3,225
Term bonds (5.80%), due 2020	6,220	6,220	6,220
Term bonds (6.45%), due 2025	13,835	13,835	13,835
Term bonds (6.45%), due 2027	7,500	7,500	7,500
	30,780	30,780	30,780
	$ 62,045	48,000	48,000

On July 1, 1996, the 1994 Series C bonds were remarketed and a portion of the 1994 Series D bonds were converted into a long-term program.

The Single Family, Residential, and GNMA, Collateralized Mortgage Obligation, Multi-Unit, First Home and Working Families Bonds are special obligations of the Authority. The bonds are payable solely from the revenues and assets pledged to the payment thereof pursuant to the Bond Trust Indentures. Hunters Run and Cumberland Crossing, two bond series within the Multi-Unit Mortgage Program Fund, are conduit issues. All scheduled advance and delinquent payments on mortgage loans, mortgage insurance and guaranty proceeds received by the Authority, and the earnings on investments of amounts held under the Bond Trust Indentures are pledged to secure the payment of the Bonds. The Bonds are also secured by a pledge and assignment of the rights and interests of the Authority in the mortgage loans and a pledge of the investment accounts of the program fund and the amounts of which are prescribed by the Trust Indentures.

The 1997 Series B, 1997 Series C, and 1997 Series D include both taxable and tax-exempt bonds. Taxable bonds were utilized to increase resources for the Authority's mortgage program.

The 1997 Series C-1 are floating rate bonds. The interest rate is the three-month LIBOR plus .25% adjusted on the second business day preceding the beginning of each calendar quarter. The General Fund purchased an interest rate cap to protect the rate from exceeding 8.0%.

(Continued)

The 1997 Series M-A and 1997 Series M-B Bonds have an adjustable rate that is currently remarketed on a weekly basis.

Single Family, Residential, GNMA, Multi-Unit First Home and Working Families bonds are subject to optional redemption provisions at various dates at prices ranging from 100 to 103 percent of the principal amount, extraordinary optional redemption at par from unexpended or uncommitted funds, prepayments of mortgage loans and proportionate amounts in certain related accounts or excess revenues. Following a determination that prepayments of mortgages could not be used to finance additional mortgage loans on a practicable basis due to the interest costs associated with the bonds originally issued to finance the related mortgage loans, the Authority determined to redeem $56,269,252 and $98,627,111 of bonds in 1997 and 1996, respectively, from prepayments which had been received. The Authority's policy is to make additional loans with such prepayments if it is determined to be feasible. The bond redemptions resulted in write-offs of unamortized discount and deferred debt issuance costs related to the redeemed bonds.

Scheduled amounts of principal payments in the five years subsequent to December 31, 1997 are as follows (all amounts in the thousands):

	Single Family Mortgage Program Fund	Residential Mortgage Program Fund	GNMA Mortgage Program Fund	Multi-Unit Mortgage Program Fund	First Home Program Fund	Working Families Program Fund	Combined
1998	$ 6,040	655	2,235	722	300	425	10,377
1999	7,485	586	2,350	809	300	455	11,985
2000	8,210	514	2,505	874	320	475	12,898
2001	8,690	466	2,710	952	340	500	13,658
2002	7,700	430	2,875	1,023	360	525	12,913

The net proceeds from the General Fund Collateralized Mortgage Obligation sale are invested in GNMA Certificates which are pledged as collateral to the issue. The taxable bonds are special obligations of the Authority, payable solely out of revenues and assets pledged to the payment thereof, and are not guaranteed or insured by the Authority, the State of Indiana or any other governmental agency. The net cash flow generated from this General Fund Program is designated to finance and implement the public purposes for which the Authority was established, including the financing of mortgage loans for low and moderate income persons in Indiana. The bonds are subject to special redemptions, ahead of stated maturities, in whole or in part, as a consequence of principal repayments on the mortgages underlying the GNMA Certificates or optional redemptions. These redemptions are determined by the Trustee pursuant to assumptions specified in the Indenture. As required by the Indenture, principal payments are applied to the classes of bonds in the order of their respective stated maturities so that no payment of principal will be made on any bond until all bonds having an earlier stated maturity have been paid in full. On February 1, 1996, all of the CMO bonds were redeemed.

Collateralized Bank Loans

During 1993, the Authority used three bank loans to refinance or redeem bonds in the following 1980 Single Family Mortgage Indenture Series:

1983A Series
1983B Series
1983C Series
1984A Series
1984B Series

(Continued)

In the transaction, the bonds were redeemed at the option of the Authority at a premium and the resulting excess assets in the form of mortgage loans receivable were distributed from the 1980 Single Family Indenture to the General Fund-Investments as collateral for the bank loans.

During 1996, the Authority used one new bank loan to redeem all of the bonds from the General Fund Collateralized Mortgage Obligation Series A.

Following is a summary of the four bank loans with NBD Bank, N.A. (formerly Indiana National Bank) as of December 31, 1997:

	1983A/B Loan	1983C Loan	1984A/B Loan	1985CMO Loan
Original loan amount	$ 7,711,000	8,585,500	15,453,000	50,000,000
Date of loan	July 1, 1993	December 30, 1993	December 30, 1993	January 22, 1996
3-Month variable interest rate (LIBOR plus 45 basis points for 1983A/B, 1983C and 1984A/B; 30 basis points for 1985CMO)	6.2625%	6.2625%	6.2625%	6.1125%
Maturity date of loan	June 30, 1998	December 29, 1998	December 29, 1998	February 1, 2003
Outstanding loan amount as of December 31, 1997	$ 507,000	1,878,000	2,399,000	31,753,000

The loans for 1983A/B, 1983C, and 1984A/B are collateralized by specific mortgage loans transferred from the 1980 Single Family Indenture to the General Fund. Furthermore, the Authority purchased interest rate protection for the 1983A/B loan which capped the rate at 6.25%. Covenants for these three Collateralized Bank Loans include standard reporting requirements and disclosure of a monthly asset coverage certificate whereby the designated assets for each Collateralized Bank Loan must exceed the respective liabilities by a ratio of 120%. The interest rate for the bank loans is set on a quarterly basis. During 1996, NBD Bank, N.A. reduced the interest rate on the bank loans from LIBOR plus 55 basis points to LIBOR plus 45 basis points.

The 1985CMO bank loan is collateralized by the GNMA certificates held in the General Fund Investments Indenture. The Authority purchased an interest rate cap to protect the rate from exceeding 7.875%. Asset coverage certificates are required on a monthly basis whereby the designated assets for the bank loan exceeds the liabilities by 102%. The interest rate is set on a quarterly basis.

(7) Gain (Loss) on Sale of Investments and Extraordinary Items

During 1997, the Single Family Mortgage Program Fund redeemed the remaining bonds on the 1986 Series B, through an optional redemption, at a premium of 102.5% resulting in a premium paid of $146,375. The Authority also redeemed the remaining 1987 Series A bonds through an optional redemption. Both transactions resulted in extraordinary deferred debt issuance cost and original issue discount of $66,235 and $90,286, respectively.

(Continued)

Additionally, in 1997, the GNMA Single Family Mortgage Program Fund redeemed the remaining outstanding bonds of 1990 Series A. This resulted in an extraordinary write-off of deferred debt issuance cost of $20,374.

During 1996, a gain of $569,010 was recognized in the Multi-Family Indenture for investments that were sold prior to maturity.

During 1996, the Authority exercised its option to redeem, in whole, the remaining outstanding Collateralized Mortgage Obligation bonds at 100% of the serial bonds in Class 3, and at original issue plus accreted value for the compound interest bonds. As a result of the redemption, the Authority recognized extraordinary deferred debt issuance cost and original issue discount of $106,801 and $4,440,311, respectively, in the General Fund Investments Indenture. An extraordinary gain of $3,563,837 was recognized in the General Fund Investment Indenture related to the elimination of the entire General Fund Collateralized Mortgage obligation series.

During 1996, the Single Family Mortgage Program Fund redeemed the remaining capital appreciation bonds in the 1985 Series B. These bonds were called with prepayments from mortgage loan proceeds after the other term and serial bonds were redeemed. These CAB's were called at original purchase price plus accreted value. Additionally, there was extraordinary write-off of deferred debt issuance cost of $72,735. The Authority also called, through optional redemption, the remaining bonds in the 1986 Series A at a premium of 102.5%, which resulted in a premium paid of $137,625. This transaction resulted in both an extraordinary write-off of deferred debt issuance cost and original issue discount of $157,302 and $26,209, respectively.

During 1996, the Authority redeemed the remaining outstanding bonds in the GNMA Single Family Mortgage Program Fund, 1990 Series E under the provision for special redemption from excess revenues and prepayments from other series of bonds within the Indenture. These bonds were redeemed at 100%, and an extraordinary write-off of deferred debt issuance cost of $55,903 was incurred as a result.

(8) Commitments

As of December 31, 1997 the Authority had the following commitments:

Lease

Lease expense of the Authority was $165,145 in 1997 and $152,445 in 1996. Future lease commitments under the noncancellable operating lease are as follows:

Year	Amount
1998	$ 152,445
1999 (through August 31, 1999)	101,630
	$ 254,075

The Authority is currently exploring future options (beyond 1999) for its operating lease.

(Continued)

Excess Investment Earnings

In order to preserve the exemption of federal and state income taxation on interest received by the bond holders, each bond issue is subject to certain Internal Revenue Code (IRC) and U.S. Treasury Regulations. Under these regulations, the Authority is required to pay the federal government any excess earnings as defined by IRC Section 148(f) on all nonpurpose investments if such investments were invested at a rate greater than the yield on the bond issue. The Authority expensed $70 and $59,200 of arbitrage rebates in 1997 and 1996, respectively.

The Authority's liability, included in accounts payable and other liabilities on the combined balance sheet, for excess earnings at December 31, follows:

	1997	1996
GNMA Mortgage Program Fund	$ 230,000	238,790
Single Family Mortgage Program Fund	–	59,200
Working Families Program Fund	549,973	549,973
	$ 779,973	847,963

Distributions

In November 1997, the Board of Directors of the Authority approved an annual distribution from the General Fund to other independent programmatic funds at the Authority including the Low Income Housing Trust Fund (LIHTF) and the Down Payment Assistance Fund (DPA). These funds are administered by the Authority with the LIHTF funded primarily by Legislative appropriations, borrowings and distributions from the Multi-Unit Mortgage Program Fund (see note 1) and the DPA funded primarily by Federal HOME Funds. The Board of Directors plans to designate the distribution amount in March or April 1998, which is planned to be a percentage of the net operating results of the General Fund Administration and the General Fund Investments.

(9) Retirement Plans

Employees of the Authority are required to participate in the Public Employees' Retirement Fund (PERF). PERF is comprised of a noncontributory defined benefit plan and a defined contribution plan. Prior to July 1986 the defined contribution plan required contributions by the employee, however, the Authority pays the entire amount. The defined contribution plan is based on 9.3% of 1997 and 1996 employees' salaries. The charges to expense of the Authority were approximately $118,000 and $104,000 for 1997 and 1996, respectively.

INDIANA HOUSING FINANCE AUTHORITY

Balance Sheets

December 31, 1997 and 1996

	1997									
Assets	General Fund Administration	General Fund Investments	Single Family Mortgage Program Fund	Residential Mortgage Program Fund	GNMA Mortgage Program Fund	Multi-Unit Mortgage Program Fund	First Home Mortgage Program Fund	Working Families Program Fund	Combined	1996 Combined
Cash and investments	$ 20,097,229	35,058,609	170,807,304	3,660,966	10,687,405	12,141,710	1,104,973	4,424,922	257,983,118	289,074,729
Mortgage loans receivable (note 5)	–	9,781,693	296,711,143	8,242,042	134,813,467	32,528,998	16,981,077	45,143,536	544,201,956	427,192,717
Less unamortized commitment fees	(113,505)	–	(779,394)	(196,938)	(1,628,125)	(1,207,577)	–	–	(3,925,539)	(4,512,677)
Net mortgage loans receivable	(113,505)	9,781,693	295,931,749	8,045,104	133,185,342	31,321,421	16,981,077	45,143,536	540,276,417	422,680,040
Accrued interest receivable:										
Investments	298,168	129,573	2,154,105	–	97,486	22,789	36,766	202,705	2,941,592	960,481
Mortgage loans	–	85,806	1,719,303	54,335	900,781	255,805	87,545	253,213	3,356,788	2,811,542
Deferred debt issuance costs, net	262,383	238,954	3,913,868	182,904	1,381,166	388,012	143,040	442,455	6,952,782	6,242,928
Office furniture and equipment, at cost,									–	
less accumulated depreciation	152,223	–	–	–	–	–	–	–	152,223	107,699
Other assets	813,608	3,426	181,241	–	–	–	–	–	998,275	578,586
Interfund accounts	581,633	172,316	(357,912)	(8,107)	(80,911)	(29,810)	(12,815)	(264,394)	–	–
Total assets	$ 22,091,739	45,470,377	474,349,658	11,935,202	146,171,269	44,099,927	18,340,586	50,202,437	812,661,195	722,456,005
Liabilities and Equity										
Liabilities:										
Bonds payable (note 6)	–	–	411,055,000	10,820,151	139,755,000	43,147,103	18,120,000	48,000,000	670,897,254	577,505,193
Less original issue discount	–	–	(66,676)	(6,738)	–	(199,367)	–	–	(272,781)	(329,451)
Net bonds payable	–	–	410,988,324	10,813,413	139,755,000	42,947,736	18,120,000	48,000,000	670,624,473	577,175,742
Collateralized bank loans (note 6)	–	36,537,000	–	–	–	–	–	–	36,537,000	49,842,000
Accrued interest payable	–	–	28,683	–	–	84,568	–	–	113,251	1,383,716
Commitment fee deposits	1,048,848	–	–	–	–	–	–	–	1,048,848	1,795,121
Accounts payable and other liabilities (note 8)	136,488	–	–	–	238,790	128,823	–	549,973	1,054,074	1,073,299
Total liabilities	1,185,336	36,537,000	411,017,007	10,813,413	139,993,790	43,161,127	18,120,000	48,549,973	709,377,646	631,269,878
Equity	20,906,403	8,933,377	63,332,651	1,121,789	6,177,479	938,800	220,586	1,652,464	103,283,549	91,186,127
Total liabilities and equity	$ 22,091,739	45,470,377	474,349,658	11,935,202	146,171,269	44,099,927	18,340,586	50,202,437	812,661,195	722,456,005

(Continued)

INDIANA HOUSING FINANCE AUTHORITY

Balance Sheets

December 31, 1997 and 1996

	1996									
Assets	General Fund Administration	General Fund Investments	Single Family Mortgage Program Fund	Residential Mortgage Program Fund	GNMA Mortgage Program Fund	Multi-Unit Mortgage Program Fund	First Home Mortgage Program Fund	Convertible Option Bonds 1994 A and B Program Fund	Working Families Program Fund	Combined
Cash and investments	$ 18,175,445	42,484,844	163,966,112	3,265,925	9,870,319	4,390,326	696,462	–	46,255,296	289,104,729
Mortgage loans receivable (note 5)	–	13,535,776	194,721,440	10,142,539	155,690,784	30,869,089	18,334,998	–	3,898,091	427,192,717
Less unamortized commitment fees	(140,894)	–	(1,023,298)	(243,515)	(1,882,530)	(1,222,440)	–	–	–	(4,512,677)
Net mortgage loans receivable	(140,894)	13,535,776	193,698,142	9,899,024	153,808,254	29,646,649	18,334,998	–	3,898,091	422,680,040
Accrued interest receivable:										
Investments	208,103	157,964	401,294	–	132,516	22,789	35,748	–	2,067	960,481
Mortgage loans	–	119,238	1,208,774	64,527	1,040,264	262,670	94,520	–	21,549	2,811,542
Deferred debt issuance costs, net	–	332,700	2,944,123	224,066	1,686,144	422,864	168,130	–	464,901	6,242,928
Office furniture and equipment, at cost,										–
less accumulated depreciation	107,699	–	–	–	–	–	–	–	–	107,699
Other assets	471,159	6,984	100,443	–	–	–	–	–	–	578,586
Interfund accounts	672,406	172,316	(194,794)	(9,286)	(93,999)	(30,210)	(27,674)	–	(488,759)	–
										–
Total assets	$ 19,493,918	56,809,822	362,124,094	13,444,256	166,443,498	34,715,088	19,302,184	–	50,153,145	722,486,005
Liabilities and Equity										
Liabilities:										
Bonds payable (note 6)	–	–	303,615,000	12,417,830	160,695,000	33,687,363	19,090,000	–	48,000,000	577,505,193
Less original issue discount	–	–	(105,324)	(8,819)	–	(215,308)	–	–	–	(329,451)
Net bonds payable	–	–	303,509,676	12,409,011	160,695,000	33,472,055	19,090,000	–	48,000,000	577,175,742
Collateralized bank loans (note 6)	–	49,842,000	–	–	–	–	–	–	–	49,842,000
Accrued interest payable	–	–	1,212,352	–	–	86,976	–	–	84,388	1,383,716
Commitment fee deposits	1,795,121	–	–	–	–	–	–	–	–	1,795,121
Accounts payable and other liabilities (note 8)	96,539	–	59,200	–	238,790	128,797	–	–	549,973	1,073,299
Total liabilities	1,891,660	49,842,000	304,781,228	12,409,011	160,933,790	33,687,828	19,090,000	–	48,634,361	631,269,878
Equity	17,602,258	6,967,822	57,342,866	1,035,245	5,509,708	1,027,260	212,184	–	1,488,784	91,186,127
Total liabilities and equity	$ 19,493,918	56,809,822	362,124,094	13,444,256	166,443,498	34,715,088	19,302,184	–	50,123,145	722,456,005

See accompanying notes to financial statements.

INDIANA HOUSING FINANCE AUTHORITY

Statements of Revenues, Expenses, and Changes in Equity

For the years ended December 31, 1997 and 1996

		1997									
		General Fund Administration	General Fund Investments	Single Family Mortgage Program Fund	Residential Mortgage Program Fund	GNMA Mortgage Program Fund	Multi-Unit Mortgage Program Fund	First Home Mortgage Program Fund	Working Families Program Fund	Combined	1996 Combined
Revenues:											
Interest income on mortgage loans	$	–	1,230,325	17,582,887	811,172	11,724,758	3,080,938	1,102,723	2,115,054	37,647,857	33,199,788
Interest income on investments		1,197,555	3,604,081	11,133,116	322,458	1,227,852	427,389	66,858	1,096,767	19,076,076	21,705,963
Commitment fee amortization		27,389	–	243,904	46,577	254,405	14,863	–	–	587,138	716,605
Fee income		4,642,717	–	–	–	–	–	–	–	4,642,717	3,562,996
Other income		705,240	–	–	–	–	–	–	–	705,240	429,671
Total Revenues		6,572,901	4,834,406	28,959,907	1,180,207	13,207,015	3,523,190	1,169,581	3,211,821	62,659,028	59,615,023
Expenses:											
Interest expense on bonds		–	–	21,749,223	586,526	12,024,009	2,772,225	1,089,876	2,953,883	41,175,742	38,815,361
Accretion on capital appreciation and compound interest bonds		–	–	–	406,568	–	104,740	–	–	511,308	978,793
Amortization of original issue discount		–	–	13,409	2,081	–	15,941	–	–	31,431	115,940
		–	–	21,762,632	995,175	12,024,009	2,892,906	1,089,876	2,953,883	41,718,481	39,910,094
Interest expense on bank loans		–	2,702,161	–	–	–	–	–	–	2,702,161	3,327,131
Amortization of debt issuance costs		10,617	93,745	377,976	41,162	284,604	34,852	25,090	22,446	890,492	1,114,219
Servicing fees on mortgage loans		–	44,410	233,811	35,016	–	36,157	–	–	349,394	434,523
Arbitrage expense		–	–	70	–	–	–	–	–	70	59,200
General and administrative expenses		2,706,139	28,535	844,738	22,310	210,257	347,735	46,213	71,812	4,277,739	4,106,155
Total expenses		2,716,756	2,868,851	23,219,227	1,093,663	12,518,870	3,311,650	1,161,179	3,048,141	49,938,337	48,951,322
Excess of revenues over expenses before gain on sales of investments and extraordinary items		3,856,145	1,965,555	5,740,680	86,544	688,145	211,540	8,402	163,680	12,720,691	10,663,701
Gain (loss) on sale of investments (note 7)		–	–	–	–	–	–	–	–	–	567,643
Extraordinary items (note 7):											
Bond call premium		–	–	(146,375)	–	–	–	–	–	(146,375)	(137,625)
Write-off of debt issuance costs		–	–	(131,281)	–	(20,374)	–	–	–	(151,655)	(320,006)
Write-off of original issue discount		–	–	(25,239)	–	–	–	–	–	(25,239)	(4,466,520)
Gain on retirement of bond		–	–	–	–	–	–	–	–	–	3,563,837
Total gain (loss) and extraordinary items		–	–	(302,895)	–	(20,374)	–	–	–	(323,269)	(792,671)
Net income		3,856,145	1,965,555	5,437,785	86,544	667,771	211,540	8,402	163,680	12,397,422	9,871,030
Equity, beginning of year		17,602,258	6,967,822	57,342,866	1,035,245	5,509,708	1,027,260	212,184	1,488,784	91,186,127	81,185,097
Other (note 1)		–	–	–	–	–	(300,000)	–	–	(300,000)	130,000
Distributions between funds		(552,000)	–	552,000	–	–	–	–	–	–	–
Equity, end of year	$	20,906,403	8,933,377	63,332,651	1,121,789	6,177,479	938,800	220,586	1,652,464	103,283,549	91,186,127

(Continued)

INDIANA HOUSING FINANCE AUTHORITY

Statements of Revenues, Expenses, and Changes in Equity

For the years ended December 31, 1997 and 1996

	1996									
	General Fund Administration	General Fund Investments	Single Family Mortgage Program Fund	Residential Mortgage Program Fund	GNMA Mortgage Program Fund	Multi-Unit Mortgage Program Fund	First Home Mortgage Program Fund	Convertible Option Bonds 1994 A and B Program Fund	Working Families Program Fund	Combined
Revenues:										
Interest income on mortgage loans	$ –	1,651,632	12,645,565	975,209	13,611,273	3,122,080	1,166,714	–	27,315	33,199,788
Interest income on investments	1,084,291	4,738,824	10,462,820	326,875	1,706,972	338,414	64,575	1,437	2,981,755	21,705,963
Commitment fee amortization	39,506	–	271,264	54,769	337,631	13,435	–	–	–	716,605
Fee income	3,562,996	–	–	–	–	–	–	–	–	3,562,996
Other income	429,671	–	–	–	–	–	–	–	–	429,671
Total Revenues	5,116,464	6,390,456	23,379,649	1,356,853	15,655,876	3,473,929	1,231,289	1,437	3,009,070	59,615,023
Expenses:										
Interest expense on bonds	–	228,741	17,399,306	718,728	14,120,395	2,681,052	1,145,142	–	2,521,997	38,815,361
Accretion on capital appreciation and compound interest bonds	–	167,776	285,835	430,178	–	95,004	–	–	–	978,793
Amortization of original issue discount	–	52,283	44,312	3,005	–	16,340	–	–	–	115,940
	–	448,800	17,729,453	1,151,911	14,120,395	2,792,396	1,145,142	–	2,521,997	39,910,094
Interest expense on bank loans	–	3,327,131	–	–	–	–	–	–	–	3,327,131
Amortization of debt issuance costs	–	125,443	476,939	59,459	349,928	35,556	15,810	–	51,084	1,114,219
Servicing fees on mortgage loans	–	59,519	295,919	42,312	–	36,773	–	–	–	434,523
Arbitrage expense	–	–	59,200	–	–	–	–	–	–	59,200
General and administrative expenses	2,470,958	52,137	777,143	30,887	347,954	350,881	62,439	1,069	12,687	4,106,155
Total expenses	2,470,958	4,013,030	19,338,654	1,284,569	14,818,277	3,215,606	1,223,391	1,069	2,585,768	48,951,322
Excess of revenues over expenses before gain on sales of investments and extraordinary items	2,645,506	2,377,426	4,040,995	72,284	837,599	258,323	7,898	368	423,302	10,663,701
Gain (loss) on sale of investments (note 7)	(520)	–	(847)	–	–	569,010	–	–	–	567,643
Extraordinary items (note 7):										–
Bond call premium	–	–	(137,625)	–	–	–	–	–	–	(137,625)
Write-off of debt issuance costs	–	(106,801)	(157,302)	–	(55,903)	–	–	–	–	(320,006)
Write-off of original issue discount	–	(4,440,311)	(26,209)	–	–	–	–	–	–	(4,466,520)
Gain on retirement of bond	–	3,563,837	–	–	–	–	–	–	–	3,563,837
Total gain (loss) and extraordinary items	(520)	(983,275)	(321,983)	–	(55,903)	569,010	–	–	–	(792,671)
Net income	2,644,986	1,394,151	3,719,012	72,284	781,696	827,333	7,898	368	423,302	9,871,030
Equity, beginning of year	15,600,375	5,580,200	53,451,595	962,961	4,728,012	499,927	204,286	–	157,741	81,185,097
Other (note 1)	–	–	–	–	–	(300,000)	–	–	430,000	130,000
Distributions between funds	(643,103)	(6,529)	172,259	–	–	–	–	(368)	477,741	–
Equity, end of year	$ 17,602,258	6,967,822	57,342,866	1,035,245	5,509,708	1,027,260	212,184	–	1,488,784	91,186,127

See accompanying notes to financial statements.

INDIANA HOUSING FINANCE AUTHORITY

Statements of Cash Flows

For the years ended December 31, 1997 and 1996

	1997								
	General Fund Administration	General Fund Investments	Single Family Mortgage Program Fund	Residential Mortgage Program Fund	GNMA Mortgage Program Fund	Multi-Unit Mortgage Program Fund	First Home Mortgage Program Fund	Working Families Program Fund	Combined
Cash flows from operating activities:									
Net income	$ 3,856,145	1,965,555	5,437,785	86,544	667,771	211,540	8,402	163,680	12,397,422
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:									
(Gain) loss on sale of securities	–	–	–	–	–	–	–	–	–
Gain on retirement of bonds	–	–	–	–	–	–	–	–	–
Investment income	(1,197,555)	(3,604,081)	(11,133,116)	(322,458)	(1,227,852)	(427,389)	(66,858)	(1,096,767)	(19,076,076)
Interest on bonds	–	2,702,161	21,749,223	586,546	12,024,009	2,761,262	1,089,876	2,953,883	43,866,960
Amortization and write-off of debt									–
issuance costs and discount amortization	10,617	93,745	547,905	43,243	304,978	50,793	25,090	22,446	1,098,817
Amortization of nonrefundable fee income	(27,389)		(243,904)	(46,577)	(254,405)	(14,863)	–	–	(587,138)
Accretion on capital appreciation and									–
compound interest bonds	–	–	–	406,568	–	104,740	–	–	511,308
Changes in account balances:									
Nonrefundable fees received and commitment fee deposits	(746,273)	–	–	–	–	–	–	–	(746,273)
Purchase of mortgage loans	–	–	(124,869,169)			(2,014,728)		(41,686,884)	(168,570,781)
Principal repayments on mortgage loans	–	3,754,083	22,879,466	1,900,497	20,877,317	354,819	1,353,921	441,439	51,561,542
Accrued interest receivable on loans	–	33,432	(510,529)	10,192	139,483	6,865	6,975	(231,664)	(545,246)
Other assets	(342,449)	3,558	(80,798)	–	–	–	–	–	(419,689)
Accounts payable and other liabilities	39,949	–	(59,200)	–	–	26	–	–	(19,225)
Interfund accounts	90,773	–	163,118	(1,179)	(13,088)	–	(14,859)	(224,365)	400
Interfund transfer	(552,000)	–	552,000	–	–	(400)	–	–	(400)
Net cash provided (used) by operating activities	1,131,818	4,948,453	(85,567,219)	2,663,376	32,518,213	1,032,665	2,402,547	(39,658,232)	(80,528,379)

(Continued)

Statements of Cash Flows

For the years ended December 31, 1997 and 1996

	1997								
	General Fund Administration	General Fund Investments	Single Family Mortgage Program Fund	Residential Mortgage Program Fund	GNMA Mortgage Program Fund	Multi-Unit Mortgage Program Fund	First Home Mortgage Program Fund	Working Families Program Fund	Combined
Cash flows from non capital financing activities:									
Proceeds from bond issues	$ –	–	147,425,000	–	–	10,000,000	–	–	157,425,000
Proceeds from bank loans	–	–	–	–	–	–	–	–	–
Payments on collateralized bank loans	–	(13,305,000)	–	–	–	–	–	–	(13,305,000)
Debt issuance costs incurred	(273,000)	–	(1,479,002)	–	–	–	–	–	(1,752,002)
Repayments and redemption of bonds	–	–	(39,985,000)	(2,004,247)	(20,940,000)	(645,000)	(970,000)	–	(64,544,247)
Interest paid on bonds	–	(2,702,161)	(22,932,892)	(586,546)	(12,024,009)	(2,763,670)	(1,089,876)	(3,038,271)	(45,137,425)
Trust fund contribution	–	–	–	–	–	(300,000)	–	–	(300,000)
Net cash provided (used) by non capital financing activities	(273,000)	(16,007,161)	83,028,106	(2,590,793)	(32,964,009)	6,291,330	(2,059,876)	(3,038,271)	32,386,326
Cash flows from capital financing activities:									
Purchase of furniture and equipment (net of depreciation reimbursement from Program Funds)	(44,524)	–	–	–	–	–	–	–	(44,524)
Net cash used by capital financing activities	(44,524)	–	–	–	–	–	–	–	(44,524)
Cash flows from investing activities:									
Purchases of investments	(12,845,698)	–	(156,414,222)	(250,000)	(817,086)	(7,953,750)	(408,510)	–	(178,689,266)
Interest received on investments	1,107,491	3,632,471	9,380,305	322,458	1,262,882	427,391	65,839	896,126	17,094,963
Proceeds from sales or maturities of investments	13,227,527	7,552,476	148,492,961	–	–	–	–	44,738,016	214,010,980
Net cash provided (used) by investing activities	1,489,320	11,184,947	1,459,044	72,458	445,796	(7,526,359)	(342,671)	45,634,142	52,416,677
Increase (decrease) in cash and cash equivalents	2,303,614	126,239	(1,080,069)	145,041	–	(202,364)	–	2,937,639	4,230,100
Cash and cash equivalents, beginning of year	520,950	427,890	28,777,968	1,445,925	–	3,044,157	–	646,579	34,863,469
Cash and cash equivalents, end of year	$ 2,824,564	554,129	27,697,899	1,590,966	–	2,841,793	–	3,584,218	39,093,569
Reconciliation of cash and cash equivalents:									
Cash and investments as presented in the balance sheet	20,097,229	35,058,609	170,807,304	3,660,966	10,687,405	12,141,710	1,104,973	4,424,922	257,983,118
Less: investments with maturities greater than three months	17,272,665	34,504,480	143,109,405	2,070,000	10,687,405	9,299,917	1,104,973	840,704	218,889,549
Cash and cash equivalents as presented in the statement of cash flows	$ 2,824,564	554,129	27,697,899	1,590,966	–	2,841,793	–	3,584,218	39,093,569

See accompanying notes to financial statements.

INDIANA HOUSING FINANCE AUTHORITY

Statements of Cash Flows

For the years ended December 31, 1997 and 1996

	1996									
	General Fund Administration	General Fund Investments	Single Family Mortgage Program Fund	Residential Mortgage Program Fund	GNMA Mortgage Program Fund	Multi-Unit Mortgage Program Fund	First Home Mortgage Program Fund	Convertible Option Bonds 1994 A and B Program Fund	Working Families Program Fund	Combined
Cash flows from operating activities:										
Net income	$ 2,644,986	1,394,151	3,719,012	72,284	781,696	827,333	7,898	368	423,302	9,871,030
Adjustments to reconcile excess of revenues										–
over expenses to net cash provided by										–
operating activities:										–
(Gain) loss on sale of securities	520	–	847	–	–	(569,010)	–	–	–	(567,643)
Gain on retirement of bonds	–	(3,563,837)	–	–	–	–	–	–	–	(3,563,837)
Investment income	(1,084,291)	(4,738,824)	(10,462,820)	(326,875)	(1,706,972)	(338,414)	(64,575)	(1,437)	(2,981,755)	(21,705,963)
Interest on bonds	–	3,555,872	17,399,306	718,728	14,120,395	2,681,052	1,145,142	–	2,521,997	42,142,492
Amortization and write-off of debt										–
issuance costs and discount amortization	–	4,724,838	704,762	62,464	405,831	51,896	15,810	–	51,084	6,016,685
Amortization of nonrefundable fee income	(39,506)	–	(271,264)	(54,769)	(333,631)	(13,435)	–	–	–	(712,605)
Accretion on capital appreciation and										–
compound interest bonds	–	167,776	285,835	430,178	–	95,004	–	–	–	978,793
Changes in account balances:										–
Nonrefundable fees received and										–
commitment fee deposits	621,853	–	–	–	–	–	–	–	–	621,853
Purchase of mortgage loans	–	–	(96,205,708)	–	–	–	–	–	(3,906,283)	(100,111,991)
Principal repayments on mortgage loans	–	4,276,615	20,950,137	2,227,212	27,174,158	322,137	843,653	–	8,192	55,802,104
Accrued interest receivable on loans	–	64,704	(285,655)	21,466	181,812	(1,356)	4,361	–	(21,549)	(36,217)
Other assets	(85,151)	87,457	84,613	(128)	–	–	–	–	–	86,791
Accounts payable and other liabilities	23,582	–	59,200	–	–	25	–	–	–	82,807
Interfund accounts	(723,133)	(6,529)	126,419	971	93,999	14,259	(1,274)	(368)	488,759	(6,897)
Interfund transfer	(643,103)	–	172,259	–	–	–	–	–	477,740	6,896
Net cash provided (used) by operating activities	715,757	5,962,223	(63,723,057)	3,151,531	40,717,288	3,069,491	1,951,015	(1,437)	(2,938,513)	(11,095,702)

(Continued)

INDIANA HOUSING FINANCE AUTHORITY

Statements of Cash Flows

For the years ended December 31, 1997 and 1996

		1996									
		General Fund Administration	General Fund Investments	Single Family Mortgage Program Fund	Residential Mortgage Program Fund	GNMA Mortgage Program Fund	Multi-Unit Mortgage Program Fund	First Home Mortgage Program Fund	Convertible Option Bonds 1994 A and B Program Fund	Working Families Program Fund	Combined
Cash flows from non capital financing activities:											
Proceeds from bond issues	$	–	–	101,790,000	–	–	–	–	–	30,780,000	132,570,000
Proceeds from bank loans		–	50,000,000	–	–	–	–	–	–	–	50,000,000
Payments on collateralized bank loans		–	(14,697,000)	–	–	–	–	–	–	–	(14,697,000)
Debt issuance costs incurred		–	(308,096)	(931,273)	–	–	–	–	–	(476,123)	(1,715,492)
Repayments and redemption of bonds		–	(53,721,385)	(56,999,110)	(2,392,997)	(25,900,000)	(745,000)	(890,000)	–	(31,595,000)	(172,243,492)
Interest paid on bonds		–	(4,014,042)	(16,271,005)	(718,728)	(14,120,395)	(2,681,460)	(1,145,142)	–	(2,437,609)	(41,388,381)
Trust fund contribution		–	–	–	–	–	(300,000)	–	–	–	(300,000)
Net cash provided (used) by non capital financing activities		–	(22,740,523)	27,588,612	(3,111,725)	(40,020,395)	(3,726,460)	(2,035,142)	–	(3,728,732)	(47,774,365)
Cash flows from capital financing activities:											
Purchase of furniture and equipment (net of depreciation reimbursement from Program Funds)		25,705	–	–	–	–	–	–	–	–	25,705
Net cash provided by capital financing activities		25,705	–	–	–	–	–	–	–	–	25,705
Cash flows from investing activities:											
Purchases of investments		(13,801,692)	–	(107,611,057)	–	(2,376,866)	–	–	–	(45,578,717)	(169,368,332)
Interest received on investments		1,109,240	4,580,860	10,867,278	326,875	1,679,973	361,585	51,235	1,437	4,419,012	23,397,495
Proceeds from sales or maturities of investments		11,849,308	11,686,066	146,572,798	–	–	2,538,008	32,892	–	48,815,000	221,494,072
Net cash provided (used) by investing activities		(843,144)	16,266,926	49,829,019	326,875	(696,893)	2,899,593	84,127	1,437	7,655,295	75,523,235
Increase (decrease) in cash and cash equivalents		(101,682)	(511,374)	13,694,574	366,681	–	2,242,624	–	–	988,050	16,678,873
Cash and cash equivalents, beginning of year		622,632	939,264	15,083,394	1,079,244	–	801,533	–	–	(341,471)	18,184,596
Cash and cash equivalents, end of year	$	520,950	427,890	28,777,968	1,445,925	–	3,044,157	–	–	646,579	34,863,469
Reconciliation of cash and cash equivalents:											
Cash and investments as presented in the balance sheet		18,175,445	42,484,844	163,966,112	3,265,925	9,870,319	4,390,326	696,462	–	46,225,296	289,074,729
Less: investments with maturities greater than three months		17,654,495	42,056,954	135,188,144	1,820,000	9,870,319	1,346,169	696,462	–	45,578,717	254,211,260
Cash and cash equivalents as presented in the statement of cash flows	$	520,950	427,890	28,777,968	1,445,925	–	3,044,157	–	–	646,579	34,863,469

See accompanying notes to financial statements.

(3) Restricted Cash and Restricted Investments

The Trust Indentures between the Authority and the Program Trustee established special accounts for the segregation of assets and restriction of the use of bond proceeds and certain other funds received. As of December 31, 1997 and 1996, the assets of all accounts equaled or exceeded the requirements as established by the Indentures. Such assets are restricted for the following purposes:

	Restricted Cash and Investments December 31, 1997									December 31, 1996
	General Fund Administration	General Fund Investments	Single Family Mortgage Program Fund	Residential Mortgage Program Fund	GNMA Mortgage Program Fund	Multi-Unit Mortgage Program Fund	First Home Mortgage Program Fund	Working Families Program Fund	Combined	Combined
Refundable Reservation Fee Escrow Accounts	$ 1,048,848	–	–	–	–	–	–	–	1,048,848	1,795,121
Loan or Bond Proceeds Accounts - Payment of issuance costs and purchase of qualified mortgage loans	–	–	100,699,369	–	–	7,997,703	–	3,658,134	112,355,206	147,359,461
Revenue Accounts-Deposit of Program revenues for debt service payments and Program expense disbursements	–	506,876	44,719,818	1,840,966	10,687,405	702,921	1,104,973	766,788	60,329,747	51,097,645
Mortgage Reserve Accounts-Payment of expenses incurred in protecting the Authority's interest in mortgage loans, including property repair and improvement	–	47,254	2,291,040	–	–	45,385	–	–	2,383,679	2,402,618
Debt Service Reserve Accounts-Equal to the maximum annual amount of debt service requirements on outstanding bonds during current or any future calendar year, a percentage of mortgage loans receivable under the indenture, or the amount of designated as debt service reserve accounts bonds	–	–	23,097,077	1,820,000	–	3,387,316	–	–	28,304,393	27,975,860
Loan Loss Escrow Account-Established to reserve for mortgage loan defaults not covered by the Federal Department of Housing and Urban Development, and shall be maintained at one-half of one percent of the outstanding principal balance of loans purchased	51,151	–	–	–	–	–	–	–	51,151	61,365
Rebate arbitrage account (Hunter's Run)	–	–	–	–	–	8,385	–	–	8,385	6,750
Original ADFA investment	–	16,957	–	–	–	–	–	–	16,957	16,957
Investments collateralizing debt obligations	–	34,487,522	–	–	–	–	–	–	34,487,522	42,039,993
	$ 1,099,999	35,058,609	170,807,304	3,660,966	10,687,405	12,141,710	1,104,973	4,424,922	238,985,888	272,755,770

(Continued)